

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NORTH DAKOTA

MOREHOUSE ENTERPRISES, LLC )  
d/b/a BRIDGE CITY ORDNANCE, GUN )  
OWNERS OF AMERICA, INC., )  
and GUN OWNERS FOUNDATION, )

Plaintiffs, )

v. )

BUREAU OF ALCOHOL, TOBACCO, )  
FIREARMS AND EXPLOSIVES; UNITED )  
STATES DEPARTMENT OF JUSTICE; )  
STEVEN M. DETTELBAACH in his official )  
capacity as THE DIRECTOR OF ATF, and HANS )  
HUMMEL, in his official capacity as )  
THE DIRECTOR OF INDUSTRY OPERATIONS )  
FOR THE SAINT PAUL FIELD DIVISION OF )  
THE ATF, )

Defendants. )  
\_\_\_\_\_ )

Case No. \_\_\_\_\_

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**DECLARATION OF TANNER MOREHOUSE**

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1. My name is Tanner Morehouse. I am a co-owner of Morehouse Enterprises, LLC d/b/a Bridge City Ordnance (“BCO”), which is headquartered in Valley City, North Dakota, within Barnes County.

2. I am an adult resident of North Dakota, a citizen of the United States of America, and a member of Gun Owners of America, Inc. Bridge City Ordnance also participates in GOA’s Caliber Club of gun stores and shooting ranges around the country.

*Exhibit 12*

3. BCO maintains active Type 01 (dealer, issued in 2019, FFL# 3-45-003-01-5G-01253) and Type 07 (manufacturer, issued in 2022 FFL# 3-45-003-07-5J-01603) Federal Firearms Licenses (“FFL”).

4. It is my understanding that BCO is the only entity or individual in Valley City that holds a manufacturing license. Further, it is my understanding that BCO is the only full time, full service, retail firearms establishment in Valley City. Our nearest full time, full service retail competitor is approximately 30 miles from Valley City.

5. BCO (under the corporate name Morehouse Enterprises, LLC) is the first named Plaintiff in another case pending before this Court, *Morehouse, et al. v. ATF, et al.*, 3:22-cv-00116-PDW-ARS (D.N.D. July 5, 2022), currently on appeal in the Eighth Circuit (Docket 22-2812).

6. BCO was the subject of an administrative compliance inspection conducted by ATF in February of 2023.

7. That inspection was the first compliance inspection ever conducted by ATF with respect to either of the BCO licenses.

8. ATF’s Industry Operations Investigator (“IOI”) Jacob Temp conducted that inspection. We have known IOI Temp for a number of years, and we believe that we have had a good working relationship with him.

9. When IOI Temp arrived to conduct the compliance inspection, we had an initial conversation about the inspection process. During that conversation, IOI Temp commented jokingly about how ATF personnel within his office had discussed whether the ATF inspection of BCO would appear to be in retaliation for BCO having brought suit against ATF in this Court, in the above referenced case.

10. IOI Temp stated that ATF had planned to delay any inspection of BCO by at least three years due to our pending litigation. But apparently that plan changed.

11. ATF's inspection of BCO, conducted by IOI Temp, lasted three days, from February 24, 2023 through February 24, 2023. That inspection culminated in a "Report of Violations" written by IOI Temp, and dated March 6, 2023.

12. During the BCO compliance inspection, IOI Temp inspected and audited BCO's Acquisition and Disposition ("A&D") records, verifying that all transactions were properly documented and that each and every firearm that BCO has ever acquired or disposed of was accounted for. IOI Temp did not indicate to us or include in his Report of Violations that he found any errors with respect to BCO's A&D records.

13. IOI Temp expressed his approval at our inspection, stating that many FFLs are not initially able to account for every firearm, and generally indicating his belief that BCO had done very well in its overall compliance with federal firearms laws and regulations.

14. IOI Temp never gave any indication that he believed BCO to have committed any serious recordkeeping violation that would warrant revocation of our licenses.

15. IOI Temp's March 6, 2023 Report of Violations identified five violations that BCO was alleged to have made. BCO made approximately 800 transfers in 2022, and has made approximately 2,700 acquisitions and 2,470 dispositions since we obtained our FFL.

16. On May 23, 2023, ATF issued a Notice of Revocation, stating that BCO's licenses were revoked, effective 15 days from the date the notice was received, unless BCO timely requested a hearing in writing (which we did).

17. The Notice of Revocation was based solely on allegations of various recordkeeping errors in BCO's business activities, all of which are alleged to have occurred under the BCO Retail License.

18. ATF did not identify or report any recordkeeping errors with respect to BCO's Type 07 manufacturer's license.

19. If the ATF is permitted to revoke BCO's licenses, BCO will be forced to close its doors and go out of business entirely. Indeed, almost all of the services we provide require holding an FFL, including gunsmithing, selling firearms, providing dealer-to-dealer transfers, and manufacturing firearms. BCO would not be able to maintain a viable business nor employ its staff, were it only able to engage in non-licensed activities.

20. Not only will my livelihood be placed in jeopardy, but also the livelihood of my brother and our five employees who work at BCO. We will have to lay off our employees, close our doors, liquidate our inventory, and stop providing firearms-related services. We will lose goodwill with our customers. This harm will be irreparable.

21. If BCO loses its licenses and we are forced to shut down, this will cause us irreparable harm from which BCO, as a business, likely will not be able to recover, even if ATF is eventually reversed.

22. At BCO, we have been very careful to try to follow every law and regulation that pertains to FFL licensure. We have attempted at all times to be meticulous in our recordkeeping, which I believe is reflected in our perfect accounting with respect to every firearm that has come through our inventory. To the extent that there are any errors in the records kept by BCO, they are unintentional and honest mistakes. Certainly, no one at

BCO has ever acted willfully to violate any statutory obligation or recordkeeping requirement.

23. Not only will revocation of BCO's FFL licenses cause hardship to myself and BCO's other employees but also, based on feedback provided by our customers, BCO's absence in Valley City will cause hardship to those who live in the area.

24. At BCO, we maintain a storefront with regular business hours and a significant inventory of firearms, ammunition, and other items, and we also perform a variety of gun related services, including transfer services for firearms purchased by our customers elsewhere, such as at other stores or over the internet.

25. It is my understanding that other FFLs in the area do not offer the same level and variety of products and services.

26. We have customers that shop with BCO because they like our products, services, prices, and to be frank, they like us as well.

27. We have shared with some of our customers ATF's Notice of Revocation. Generally, our customers have been livid, telling us about how they value BCO, and how they would have to travel much farther, at significant expenditure of time and resources, to buy firearms at far more distant locations. Our customers do not want to go to any other store, but instead want to continue to do business with BCO.

28. Given that IOI Temp began our inspection by reporting that ATF initially was going to wait until our other litigation was completed before inspecting us, and then joked about how ATF's February inspection may look like retaliation, it is clear to me that the ATF targeted BCO based on our having filed a prior lawsuit against ATF challenging its frame or receiver rule in this Court.

29. ATF should not be allowed to retaliate, target, destroy, or otherwise interfere with BCO simply because we are litigating to challenge the agency's rulemaking in this Court and in this Circuit.

I, Tanner Morehouse, declare under penalty of perjury that the foregoing is true and correct.

07/10/2023  
DATE

  
TANNER MOREHOUSE